



CONFLICT MANAGEMENT PRACTICES IN CORPORATE SECTOR: INDIAN PERSPECTIVE

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ABSTRACT

Every organisations is replete with human relations problems because people are different, complex and variable. Work is not central life interest for a very large number of people. Besides, in many cases managers find it convenient to treat people in a uniform and standardised manner. It is not an easy task for a manager to vary his strategy and policy in relations to everyone of the large number of people with whom he interacts every day during the course of performance of his duties. Moreover, if were to treat people differently according to their unique needs, he might be accused by others of bias, discrimination, prejudice and favouritism. This is the manager's dilemma in dealing with people at work. Healthy human relations can be built by integrative or problem solving approach in which both the parties gain satisfaction of their respective needs in a co-operative manner, and not at the expense of one another. This paper focuses on conflict management practices in corporate sector in Indian perspective.

KEY WORDS: Conflict Management, Corporate Sector, Managerial Responsibility, Virtual Teams .

INTRODUCTION

Dispute resolution constitutes an important managerial responsibility and activity, and has a crucial impact on the well being of the organization. Managers often serve as third parties to a conflict resolution process. Organizations develop many constructive conflict resolution strategies at various levels of the organization. Many researchers have documented that protagonists who emphasize their cooperative, positively related goals where they believe that as one moves toward goal attainment the others do too are prepared to engage in open-minded discussions; they express their various views directly, try to understand each other, and combine their ideas to solve the underlying problem for mutual benefit. In contrast to this theory on the approach that is likely to result in positive outcomes, the definition of constructive conflict is not so clearly operationalized. Deutsch (1973) argued that conflicts are constructive to the extent that participants consider that overall they have gained more benefits than costs. Assessing these benefits and comparing them with the costs though involve a complex calculus. Conflicts can have wide-ranging effects and it seems likely that actors typically experience different effects and that consequences valuable in the short-term are not necessarily valuable in the long-term.

M. Kamil Kazan proposes a broad perspective for studying the influence of culture on the process of conflict management. Three models of conflict management are described, based on the culture framework of Glen (1981). In the confrontational model, conflicts are conceptualized as consisting of sub issues, and a sense of reasonable compromise aids resolution despite a confrontational style. In the harmony model, conflict management starts with the minimization of conflict in organizations through norms stressing observance of mutual obligations and status orderings. Conflicts are defined in their totality, and resolution is aided by avoidance and an accommodative style. Less emphasis is placed on procedural justice, as on maintenance of face of self and others, Third parties are used extensively, and their role is more intrusive. In

the regulative model, bureaucratic means are used extensively to minimize conflicts or to aid avoidance. Conflicts get defined in terms of general principles, and third party roles are formalized. The implications of the differences among the three models for conflict resolution across cultures and for future research are discussed.

EMERGENCE OF GLOBAL VIRTUAL TEAMS

There are over 40,000 multinational corporations currently operating in the global economy, in addition to approximately 250,000 overseas affiliates running cross- continental businesses. In 1995, the top 200 multinational corporations had combined sales of \$7. 1 trillion, which is equivalent to 28.3 percent of the world's gross domestic product. The top multinational corporations are headquartered in the United States, Western Europe, and Japan; they have the capacity to shape global trade, production, and financial transactions. Multinational corporations are viewed by many as favoring their home operations when making difficult economic decisions, but this tendency is declining as companies are forced to respond to increasing global competition.

Increasing globalization and advances in communication technology have fuelled the emergence of global virtual teams (GVT). There is much potential for conflict in GVT as members work across cultural, geographical, and time boundaries. This study examines the antecedents of GVT conflict and the circumstances under which conflict affects team performance. An in-depth study of GVT conflict episodes was carried out using interviews, observations, communication logs, and documents. Based on findings from the teams under study interpreted in the light of prior literature. Propositions are developed about the antecedents and impacts of GVT conflict as stated. GVT cultural diversity is likely to contribute to both task and relationship conflict, while functional diversity may result in task conflict. Large volume of electronic communication and lack of immediacy of feedback in asynchronous media can contribute to task conflict. Additionally, the relationship between task conflict and team performance is likely to be contingent upon task complexity and conflict resolution approach. The influence of relationship conflict on performance may depend on task interdependence and conflict resolution approach. The conflict resolution approach may in turn be determined by the nature of conflict attribution. These propositions have been synthesized into a model to guide future empirical research and GVT practice:

- ✓ Research shows that 60-80% of all difficulties in organizations stem from strained relationships between employees, not from deficits in individual employee's skill or motivation.
- ✓ The typical manager spends 25-40% of his or her time dealing with workplace conflicts. That's one to two days of every work week.
- ✓ Ernst & Young reports that the cost of losing and replacing an employee may be as high as 150% of the departing employee's annual salary.
- ✓ In a 1990 survey, 78% of respondents indicated that they believe some, most or all employers engage in discrimination in hiring or promotion, and 51% stated that all or most employers engage in discriminatory practices.
- ✓ 90% of harassment is never officially reported.
- ✓ More than 50% of employers report having been sued by an employee. Society for Human Resource Management survey, cited in USA Today.
- ✓ Between 1970 and 1989, the general federal civil caseload increased by 125% In contrast, employment discrimination cases increased 2, 166%.
- ✓ The national average compensatory award in employment practice liability cases rose from \$133,691 in 1997 to \$250,000 in 2003.
- ✓ Fortune 500 Senior Executives spend 20% of their time in litigation activities.
- ✓ Organizations adopting conflict resolution processes, like mediation and arbitration, report 50-80% reductions in litigation costs.

WORKPLACE STRESS AND MENTAL HEALTH

- Two-thirds of both men and women say work has a significant impact on their stress level, and one in four has called in sick or taken a “mental health day” as a result of work stress.
- One-fourth of employees view their jobs as the number one stressor in their lives.
- Workplace stress causes approximately one million U.S. employees to miss work each day.
- Problems at work are more strongly associated with health complaints than are any other life stressor.
- Workers who must take time off work because of stress, anxiety, or a work conflict will be off the job for about 21 days.
- American employees used about 8.8 million sick days in 2001 due to untreated or mistreated depression.
- Indirect costs of untreated mental health disorders results in a \$79 billion annual loss to businesses due to loss of productivity and absenteeism.

The cost of turnover, loss of productivity and absenteeism in Organizations due to conflict is huge. When organizations make it a priority to train employees on communication / 1 listening skills, building trust, teambuilding, and conflict resolution skills, less unresolved conflicts will occur. When employees feel their concerns are heard by management, job satisfaction and productivity increases which goes right to an organization’s bottom line.

CONCLUSION

Whatever may be the approach for handling conflicts, it is necessary to make sure that communication channels are not broken down. A free flow of information must be maintained. Unfortunately, communication, which is a conflict-reduction mechanism is minimum in times of conflict. It has often been seen that lack of information or blocked communication channels cause disruptive behavior. As a result, the gap between the two parties widens further and once a gap develops, it becomes very difficult to bridge it. In the absence of mutual trust and confidence, any information or action is not likely to generate the desired result.

It may also be suggested that whatever may be the nature, stage or class of conflict, it should always be regarded as individual and analytic. Knowing fully well that wide differences exist, that bargaining is taking place and that groups are involved, the party handling the conflict should always suggest that the matters are highly trivial in nature, that the goals of the parties are common and that the conflict is individual rather than inter-group. In short, an impression should not be created that the conflict has engulfed the whole organization and the organization is on fire. The approach should be one of problem-solving and persistent persuasion of the parties.

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